

Your questions answered

**Phoenix**

SCOTTISH  
**PROVIDENT**  
IRELAND

Scottish   
Mutual

Scottish   
Provident

**Why are you writing to me?**

Scottish Mutual Assurance Limited and Scottish Provident Limited are each intending to transfer part of their business to Phoenix Life Limited. As you have a policy with Scottish Mutual Assurance Limited and/or Scottish Provident Limited and/or Phoenix Life Limited, we are writing to tell you about the proposals and the ways in which you can obtain further information or raise any queries or concerns you may have.

**I have a policy with Phoenix Life Limited – why are you writing to me?**

Under the proposals, certain policies from Scottish Mutual Assurance Limited and Scottish Provident Limited will be transferred to Phoenix Life Limited and we feel it is important to advise all policyholders of the proposal to combine these businesses into Phoenix Life Limited.

**What are you doing?**

We are planning to transfer certain policies of Scottish Mutual Assurance Limited and Scottish Provident Limited to another company in the group, Phoenix Life Limited. We are writing to all policyholders that we have identified as being affected by the proposed transfer and our records show you as a policyholder of one of these three companies. This Questions and Answers leaflet and the enclosed brochure 'Simplifying our business' provide you with information about the proposals, and the ways in which you can obtain further information about

them or raise any queries or concerns you may have.

**Why are you making these changes?**

These changes will help us to further improve our efficiency as a business. Bringing together the businesses of these companies into one company makes better use of our resources and we believe it will make it easier for you to deal with us in the future under a single corporate name.

**Will all of my policies be transferred?**

Please refer to Appendix 1 in the enclosed brochure 'Simplifying our business' for a description of policies transferring to Phoenix Life Limited.

**When will it happen?**

If the High Court gives its approval it is expected that the transfer will take place on 29 December 2008. This is referred to as the Effective Date.

**I am confused, who will be responsible for my policy?**

If you already have a policy with Phoenix Life Limited, there will be no change of your insurer and Phoenix Life Limited will remain responsible for your policy. If you have a policy with Scottish Mutual Assurance Limited and/or Scottish Provident Limited, then your policy will transfer to Phoenix Life Limited and Phoenix Life Limited will become responsible for your policy. However, there are no plans to change how you contact us by telephone or post.

## **Who pays for the transfer?**

All the costs of the transfer will be met by the parent company of Phoenix Life Limited, or the shareholder fund within Phoenix Life Limited. No costs will be borne by policyholders.

## **Are these changes related to the acquisition of Resolution plc by the Pearl Group?**

No. We were planning a transfer of this sort before the acquisition of Resolution plc by Pearl Group. The acquisition by Pearl Group has not affected our plans to go ahead with the proposed transfer of businesses of Scottish Mutual Assurance Limited and Scottish Provident Limited as described in the enclosed brochure 'Simplifying our business'.

If you have any questions relating to the Pearl acquisition of Resolution plc, please direct these to your normal contact telephone number.

## **Who is Pearl? / What is the Pearl Group?**

Pearl is now the UK's largest specialist manager in the UK closed life and pension funds sector. Before the acquisition of Resolution plc, Pearl Group had four main life insurance subsidiary companies (Pearl Assurance plc, National Provident Life Limited, NPI Limited and London Life Limited), approximately £26.5 billion of assets under management\* and approximately 3.3 million policies\*.

\* [Source: FSA Returns, 31 December 2007]

## **How will my interests as a policyholder be protected?**

Scottish Mutual Assurance Limited and Scottish Provident Limited are only able to carry out the proposed transfer of their businesses to Phoenix Life Limited with the approval of the High Court. The High Court must be satisfied that the transfer meets all the necessary legal requirements and is fair to policyholders.

As part of this process, an Independent Expert has assessed the proposals and concluded that they do not have a material adverse effect on either the security of the affected policyholders' benefits or on their benefit expectations.

A summary of the Independent Expert's report is included in the enclosed brochure 'Simplifying our business'. The full Independent Expert's report, along with a copy of the Scheme, can be downloaded from our website or you can request copies by telephoning our helpline. You will find the website address and the helpline number on the letter enclosed with this leaflet.

In addition, we are working closely with our regulator, the Financial Services Authority (FSA), to make sure that they have no objection to our proposals.

## **Who is the Independent Expert?**

The Independent Expert is Mr Tim Sheldon of Deloitte & Touche LLP.

Mr Sheldon is an actuary experienced in the issues concerned with the transfer of life insurance businesses. He has been appointed to report his opinion on the likely effect of the proposals on policyholders. His appointment has been approved by the Financial Services Authority.

### **Do I need to do anything?**

We would encourage you to read the enclosed material to help you fully understand our proposals.

After reading through the enclosed material, if you are happy with the proposals you don't need to do anything.

If you have any questions or concerns, you can look at the full Scheme and related documents on our website or call the helpline number. You will find the website address and the helpline number on the letter enclosed with this leaflet.

### **What may I do if I have concerns about the transfer?**

If, having read through the enclosed information you remain concerned about the effects of the transfer, the enclosed brochure explains the different ways you can obtain further information about the transfer and how you can raise your concerns with us or the High Court.

### **Why wasn't I consulted or allowed to vote on this proposal?**

This pack and the information available on the website provide full details of our proposals. Your rights

to voice any concerns to us or the High Court about the process are outlined in the enclosed brochure.

### **I have a with profits policy. Will future bonuses be affected?**

This change does not affect future bonuses. Annual and final bonuses will continue to be added as appropriate in the same way as before and these will reflect the historic performance of the fund prior to the transfer and subsequently. Further information on the impact of the Scheme on with profits policies is provided in the enclosed booklet, 'Simplifying our business'.

### **How do I know if my policy is a with profits policy or a non profit policy?**

If you are unsure if your policy is a with profits policy, please call our helpline who will be able to help you. You will find the number on the letter enclosed with this leaflet. You will need to quote your policy number when you call.

### **I am a trustee of a group pension scheme – who should I notify?**

Where appropriate, you should make sure the scheme members are made aware of the proposals detailed in the enclosed material.

### **I am the trustee for a policyholder – what should I do?**

We would encourage you to read the enclosed information to make sure you understand our proposals to enable you to act in the best interests of the policyholder.

**I am a parent/guardian of a policyholder – what should I do?**

We would encourage you to read the enclosed information to make sure you understand our proposals to enable you to act in the best interests of the policyholder.

**My policy has been assigned – who should I notify?**

You should make sure the person or firm you assigned the policy to is made aware of the proposals detailed in the enclosed material.

**I am an employer running a stakeholder pension scheme – who should I notify?**

You should make sure the members of the pension scheme are made aware of the proposals detailed in the enclosed material.

**Will my policy be exposed to risks from the other company whose business is being transferred into Phoenix Life Limited or other funds already in Phoenix Life Limited?**

In extreme circumstances a policy in one fund in Phoenix Life Limited may be affected by losses from another fund in Phoenix Life Limited. However, Phoenix Life Limited is required by the FSA to have enough resources to withstand adverse events and in addition has internal arrangements in place to ensure that it will be extremely unlikely that this will happen.

**Will there be any ‘windfall’ benefits for me?**

No. There will be no cash payments or special policy bonuses under these proposals.

**Will the proposals have any implications for my personal tax?**

No. The transfer will only take place on the basis that there will be no adverse personal tax implications for policyholders.

**What changes will I notice if your proposals are approved?**

If your policy is already with Phoenix Life Limited you should not notice any changes in the way we deal with you. If your policy is with either Scottish Mutual Assurance Limited and/or Scottish Provident Limited, after the Scheme becomes effective (which is expected to be 29 December 2008) the main differences you will notice will be that:

- when we write to you the Phoenix logo will be on your letters, instead of the Scottish Provident or Scottish Mutual logo;
- your payments to and from your current company will automatically become payable to and from Phoenix Life Limited (see the section headed ‘What this means for your payments’ in the enclosed brochure ‘Simplifying our business’ for more detailed information on this); and

- if your policy invests in our unit linked funds, some of the names of the funds may change to include the Phoenix name. Also, the names of some policies may change to reflect the Phoenix name (although the policy number and terms will remain the same).

If you have policies with more than one of the companies involved in the transfer or with Phoenix Life Limited you are likely to have different contact details for each company. After the transfer you should continue to contact us in the same way as you do currently.

### **How will I find out if the High Court has approved your proposals?**

The outcome of the High Court hearing will be published on the website shown on the letter enclosed with this leaflet shortly after the High Court hearing. It is expected that the hearing will be on 4 December 2008.

### **I am not aware that I have a policy issued by any of the companies involved in the Scheme. Why are you writing to me?**

It is possible that you have a policy which was originally issued by a company whose business has been incorporated into one of the companies involved in the Scheme. If you are uncertain which of the transferring companies is now responsible for your policy please

refer to Appendix 2 of the enclosed 'Simplifying our business' brochure which lists the issuing company names.

### **Where can I find out more?**

The 'Simplifying our business' brochure enclosed with this leaflet summarises the proposed changes, and includes a summary of the Independent Expert's report on how the proposed changes may affect policyholders of Scottish Mutual Assurance Limited and Scottish Provident Limited whose policies are transferring to Phoenix Life Limited and the existing policyholders of Phoenix Life Limited.

More detailed information about the changes can be downloaded from our website or you can get a copy of the information by calling the helpline. You will find the telephone number and website address on the covering letter enclosed with this leaflet.